

Message Text

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TO AMEMBASSY JAKARTA IMMEDIATE

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EXDIS

E.O. 11652: GDS

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SUBJECT: US-INDONESIAN CONSULTATIONS

1. FOLLOWING ARE THE HIGHLIGHTS OF THE SECRETARY'S MEETINGS WITH FOREIGN MINISTER MALIK ON JUNE 29, TAKEN FROM UNCLEARED MEMORANDA OF CONVERSATION.

2. SECRETARY KISSINGER HOSTED A WORKING LUNCH ON JUNE 29 FOR MALIK AND HIS SENIOR ADVISORS FOLLOWED BY A SLIGHTLY EXPANDED MEETING LASTING ABOUT TWO HOURS. WITH MALIK AT THE LUNCH WERE DIRECTOR GENERAL DJAJADININGRAT, AMBASSADOR RUSMIN, AMBASSADOR SUMARJO, GENERAL SUMANTRI, DIRECTOR (TRADE POLICY) FERDY SALIM AND DEPUTY DIRECTOR (BAPPENAS) MOOY. AMBASSADOR DARUSMAN, DIRECTOR (AMERICAN DIRECTOR-ATE) SABIR AND COUNSELOR OF EMBASSY ADIWOSO JOINED IN THE POST-LUNCH MEETING. ATTENDING THE LUNCH ON THE US SIDE WERE PRESIDENTIAL ASSISTANT SCOWCROFT, AID ADMINISTRATOR PARKER, UNDER SECRETARY HABIB, UNDER SECRETARY ROGERS, AMBASSADOR NEWSOM, ACTING ASSISTANT SECRETARY MILLER, DEPUT SECRET

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ASSISTANT SECRETARY OF DEFENSE ABRAMOWITZ, AND COUNTRY

DIRECTOR INGRAHAM. SCOWCROFT AND ROGERS WERE REPLACED BY

ASSISTANT SECRETARY GREENWALD AND NSC STAFF MEMBER QUINN AT THE MEETING, AND DEPUTY ASSISTANT SECRETARY EDMOND WAS ALSO PRESENT.

3. THE WORKING LUNCH AND THE SUBSEQUENT MEETING PROVIDED AN OPPORTUNITY FOR A WIDE-RANGING DISCUSSION OF GLOBAL AND EAST ASIAN ISSUES AND OF US-INDONESIAN BILATERAL RELATIONS.

(A) US-SOVIET RELATIONS. THE SECRETARY OPENED WITH A GENERAL REVIEW OF THE WORLD SITUATION, WITH PARTICULAR EMPHASIS ON US-SOVIET RELATIONS. NOTING THE INCREASE IN SOVIET MILITARY AND INDUSTRIAL STRENGTH, THE SECRETARY POINTED OUT THIS WAS INEVITABLE, SHOULD BE SEEN IN ITS PROPER PERSPECTIVE AND MUST BE RELATED TO THE FOREIGN POLICY CONTEXT. OUR POWER WAS STILL THE GREATER. THE SOVIETS HAD CONSIDERABLE WEAKNESSES: AN EXTREMELY BUREAUCRATIC SYSTEM, A MEDIOCRE LEADERSHIP, SERIOUS ECONOMIC PROBLEMS AND AN INCREASING EXTERNAL DEBT BURDEN. THERE WAS NO QUESTION THAT THE USSR WAS A PROBLEM, BUT IT WAS A MANAGEABLE ONE. MALIK RESPONDED BY NOTING THAT BOTH MARCOS AND ROMULO HAD BEEN IMPRESSED BY THEIR TOURS OF STRATEGIC FACILITIES DURING THEIR RECENT VISIT TO THE USSR. THEY HAD WONDERED WHETHER THE US STILL RETAINED ITS ADVANTAGE OVER THE SOVIETS. MALIK ADDED THAT FROM HIS EXPERIENCE AS AMBASSADOR IN MOSCOW, THE SOVIETS WERE GOOD AT PUTTING ON "GUIDED TOURS" BUT THAT THEIR ABILITY TO USE THEIR POWER WAS NOT ALL THAT GREAT.

(B) CHINA. THE SECRETARY DESCRIBED THE CURRENT RIVALRIES BETWEEN RADICAL AND CONSERVATIVE FACTIONS, NOTING THAT NONE OF THEM COULD PROPERLY BE LABELED "PRO-US" OR "PRO-SOVIET." THE CHINESE HAVE NO LOVE OF ANY FOREIGNERS. THE SECRETARY REVIEWED OUR CURRENT RELATIONS WITH PEKING; STRESSING THAT AT THE HEART OF OUR RELATIONSHIP WAS THE QUESTION OF HOW WE APPEARED TO THE CHINESE AS A SOURCE OF SUPPORT AGAINST THE SOVIETS. THE SECRETARY EXPECTED SOME LIMITED CHINESE RAPPROACHMENT WITH THE

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SOVIETS AFTER MAO GOES, BUT BY NO MEANS BACK TO THE LEVEL OF THE 1950S. THE SECRETARY SUGGESTED THAT THE CHINESE WERE LIKELY TO BE PREOCCUPIED WITH INTERNAL PROBLEMS FOR THE NEXT FIVE YEARS, BUT SAW THEM AS A PROBLEM FOR THEIR NEIGHBORS AFTER THAT. MALIK AGREED WITH THIS ASSESSMENT. HE DID NOT ANTICIPATE CHINESE RAPPROACHMENT WITH THE USSR.

(C) VIETNAM. THE SECRETARY OBSERVED THAT HE KNEW THE VIETNAMESE LEADERS, WHO WERE TOUGH AND ASSERTIVE. HE FORESAW HANOI AS MORE OF A PROBLEM FOR ITS NEIGHBORS THAN CHINA IN THE SHORT RUN, INCLUDING POSSIBLE SUPPORT FOR "RESISTENCE MOVEMENTS" IN SOUTHEAST ASIA. MALIK AGREED THAT HANOI, WITH THE USSR BEHIND IT, WAS THE MOST LIKELY SHORT-TERM SOURCE OF AGGRESSIVE BEHAVIOR IN THE REGION. THE PRIMARY PROBLEM FOR THE SOUTHEAST ASIAN COUNTRIES WOULD BE EXTERNALLY SUPPORTED SUBVERSION.

(D) ASEAN. COMMENTING ON THE JUST-CONCLUDED ASEAN FOREIGN MINISTERS MEETING IN MANILA, MALIK SAID THEY ALL HAD RECOGNIZED THAT THE WEAKNESS OF ONE LINK WAS THE WEAKNESS OF ALL. THEY HAD AGREED THAT SUBVERSION WAS THE CHIEF SHORT-TERM THREAT TO THEM. A PROBLEM FOR INDONESIA WAS THAT THE OTHERS LOOKED TO THE GOI FOR HELP, YET THE GOI'S RESOURCES WERE LIMITED AND THEY, IN TURN, WOULD BE LOOKING FOR HELP FROM THE U.S. AND OTHER FRIENDS.

(E) JAPAN. MALIK SAID THAT JAPAN'S ROLE IN SOUTHEAST ASIA HAD BEEN DISCUSSED AT THE ASEAN MEETING, INCLUDING THE POSSIBILITY OF SECURITY ASSISTANCE FROM JAPAN. THE SECRETARY AND HABIB OBSERVED THAT IF JAPAN WANTED TO HELP THE SOUTHEAST ASIAN COUNTRIES AGAINST ANY CHINESE AGGRESSION, WE WOULD NOT OPPOSE IT. JAPAN'S AID TO SOUTHEAST ASIA SHOULD BE NON-MILITARY, HOWEVER; WE HAD SEEN NO SIGN AT ALL THAT THE JAPANESE HAVE THE SLIGHTEST INTEREST IN A SECURITY ROLE IN SOUTHEAST ASIA.

(F) THAI AND PHILIPPINE NEGOTIATIONS. MALIK RAISED THE SUBJECT, NOTING THAT THE INDONESIANS WERE CONCERNED LEST A LACK OF "MOMENTUM" IN PHILIPPINE BASE NEGOTIATIONS COULD PRODUCE A "VACUUM". SIMILARLY MALIK EXPRESSED THE SECRET

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VIEW THAT THE THAI WANTED TO CONTINUE TO COOPERATE WITH THE U.S. THE SECRETARY AND HABIB DESCRIBED THE STATUS OF CURRENT NEGOTIATIONS AND OUR INTEREST IN REACHING A REASONABLE SOLUTION. WE HOPED THE PHILIPPINES WOULD NOT BECOME OVERCONFIDENT AND PRESS US BEYOND THE LIMITS WE COULD GO. AS TO THAILAND, THE GOVERNMENT HAD TAKEN A PUBLIC POSITION FOR DOMESTIC REASONS AND HAD THEN BEEN UNABLE TO BACK DOWN. THE SECRETARY ASKED MALIK TO TELL THE THAI GOVERNMENT OF OUR BASIC GOODWILL AND WILLINGNESS TO COOPERATE WITH THE THAIS, ALTHOUGH AT THIS LATE DATE IT WAS NOT CLEAR WHAT COULD BE DONE IN THE MILITARY SPHERE.

(G) MULTILATERAL POLITICAL ISSUES - THE SECRETARY RE-ITERATED THAT WE CONSIDERED ANY DISCUSSIONS OF PUERTO

RICO AT THE UN UNFRIENDLY AND THAT, SHOULD A RESOLUTION BE VOTED, WE WOULD WITHDRAW OUR DELEGATION AND TAKE NO FURTHER PART IN THAT ASSEMBLY. HE INDICATED THAT WE WILL TAKE A STRONG STAND AGAINST ANY EFFORT TO EXPEL ISRAEL. HE NOTED THAT INDONESIANS HAD BEEN HELPFUL ON KOREA. MALIK INDICATED HE EXPECTED NEITHER PUERTO RICO NOR ISRAEL TO BE TAKEN UP AT COLOMBO. HE SAID THAT EVEN DURING THE ISTANBUL MEETING OF ISLAMIC FOREIGN MINISTERS, NO STRONG PRESSURE TO EXPEL ISRAEL HAD BEEN APPARENT.

(H) PL 480. MALIK REQUESTED ADDITIONAL RICE BEYOND THE 150 THOUSAND TONS ALREADY REQUESTED FOR FY 1977 TO FEED THE PEOPLE OF EAST TIMOR. THE SECRETARY PROMISED TO LOOK INTO IT. WE COULD CERTAINLY MANAGE 150,000 TONS AND PERHAPS MORE. AS TO THE TERMS, WE WOULD MAKE EVERY EFFORT TO IMPROVE THEM.

(I) MILITARY ASSISTANCE. MALIK SAID THAT INDONESIA WAS GRATEFUL TO THE SECRETARY FOR STATING THAT INDONESIA WAS IMPORTANT TO THE US BUT INDICATED SOME DISSATISFACTION WITH THE IMPLEMENTATION OF SECURITY ASSISTANCE PROGRAMS. THE SECRETARY EXPLAINED THAT THERE WAS A PROBLEM IN THE ATTITUDE OF CONGRESS; AND THAT HE THOUGHT IT A MISTAKE TO HAVE CUT INDONESIA'S MILITARY AID FIRST TO 19 MILLION DOLS AND THEN TO 13 MILLION DOLS. HE COMMENTED WE HAVE HAD A DIFFICULT YEAR -- ALTHOUGH WE HAVE DONE WELL
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IN THE ECONOMIC AID FIELD -- AND THAT AFTER THE ELECTIONS THERE MAY BE A BETTER UNDERSTANDING WITH CONGRESS ON THE WHOLE QUESTION OF MILITARY AID. THE SECRETARY STATED HE PERSONALLY THOUGHT THE AMOUNT OF MILITARY AID INDONESIA WAS RECEIVING WAS INADEQUATE AND THAT WE WOULD SEEK TO INCREASE IT. HE NOTED THAT, WHILE IT WAS TOO LATE TO DO ANYTHING ABOUT FMS CREDIT TERMS FOR FY 1976, WE WOULD SEEK TO IMPROVE THEM FOR FY 1977.

(J) GSP - MALIK STATED THAT THE INDONESIANS HAD PROBLEMS WITH THEIR EXCLUSION FROM GSP BENEFITS BUT THAT THEY UNDERSTOOD THE SITUATION AND APPRECIATED WHAT WE HAD BEEN TRYING TO DO. WE INFORMED THEM THAT SENATOR BENTSEN WAS PREPARED TO INTRODUCE AN AMENDMENT IN THE SENATE TO REMOVE THE EXCLUSION.

4. COMMENT. SEVERAL OF MALIK'S SENIOR STAFF MEMBERS HAVE INDICATED PRIVATELY TO US THAT THE CONSULTATIONS MORE THAN MET THEIR EXPECTATIONS. THEY CITED THE ATTENTION AND THE EXPOSURE TO THE US LEADERSHIP WHICH THE DELEGATION RECEIVED DURING ITS WASHINGTON VISIT, APPARENTLY A GOOD DEAL MORE THAN IT HAD ANTICIPATED. THEY WERE ALSO IMPRES-

SED BY THE FRANKNESS AND CANDOR OF THE DISCUSSIONS WITH
THE SECRETARY ON GLOBAL AND REGIONAL ISSUES AND ON OUR
BILATERAL RELATIONS. ROBINSON

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